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C O N F I D E N T I A L LA PAZ 002056

SIPDIS

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TAGS: PGOV PREL PTER KDEM ASEC CASC BL
SUBJECT: DIALOGUE: EVO PUSHING, OPPOSITION WEAKENING

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 b,d

¶1. (C) Summary: The central government pushed hard the night of September 21 for the opposition to sign an agreement on the "framework" of the dialogue, but the opposition is thus far holding out. Government-aligned social groups have besieged the city of Santa Cruz and announced that they will "increase pressure" and enter the main plaza on September 24 if the opposition prefects do not sign (note: September 24 is Santa Cruz day, and entry by government-aligned social groups could spark violence in the opposition city. End note.) Opposition contacts seem disheartened and in disarray, while the government is applying pressure at the negotiation table, through social groups, and through the arrest of opposition Pando Prefect Leopoldo Fernandez. The British (whose Ambassador is an observer at the negotiations) inform us that there has been some progress in the talks and that international participation is still valuable, but that UNASUR's Venezuelan observers see their role as "supporting the government" rather than facilitating dialogue, a position which is alienating the opposition. End summary.

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Observers: Talks "haven't collapsed yet, but very fragile"
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¶2. (C) The Brazilians, who are observers in the Cochabamba dialogue, told us that as the talks began the opposition already appeared defeated. Opposition Santa Cruz Prefect Ruben Costas reportedly even apologized to Morales for having insulted him. Rather than granting forgiveness, Morales lashed out at Costas and the other prefects for their acts against the state. The Brazilians believe the opposition is ready to sign any agreement that might prevent Morales from a further crackdown on their departments now, in the hopes that they then can regroup to block Morales' power grab later.

¶3. (C) British DCM Steve Townsend told us that the British Ambassador is still an observer at the talks that Townsend describes as "discordant and tense". According to the British, the talks almost collapsed on September 21 when the government pushed for the opposition prefects to sign a new agreement after only four days of negotiation. After the

prefects refused to sign, both sides agreed to restart dialogue on September 25, while the technical committees on IDH hydrocarbon tax revenues and autonomy will carry on meeting.

¶4. (C) Reportedly the government is now insisting that the Movement Toward Socialism (MAS) draft constitution only be reopened to address the autonomy issue, while the opposition prefects want other issues to be open for negotiation as well. Townsend feels that the opposition prefects "realize that the reelection issue (that Evo be eligible for two more 5-year terms) is untouchable." The opposition also seems to have abandoned any attempts to obtain legal protection for opposition Pando Prefect Leopoldo Fernandez, leaving his fate to the courts (Note: Evo and the MAS have gutted both the Constitutional Tribunal and the Supreme Court, so Fernandez' fate is far from clear. Townsend notes that because Bolivian law offers immunity to elected officials, the congress should have met to suspend this immunity before Fernandez was arrested, making his arrest itself illegal. End note.) Dutch PolOff Harmon Van Dijk told PolOff September 18 that although he generally approves of the government's approach to the talks he was "angry" with the government's decision to take Prefect Leopoldo Fernandez into custody: "This is stupid and does not show a sensitivity to negotiation."

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Pressure on Santa Cruz
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¶5. (C) Townsend indicated that the government is claiming that it cannot control the government-aligned social groups currently besieging the city of Santa Cruz. The government has, however, also stated that the opposition prefects' signatures on the framework agreement is a prerequisite for lifting the siege. Townsend feels that the opposition is fully aware that the government and the MAS control the social groups. Santa Cruz Prefect Ruben Costas has publicly declared that opposition supporters will not react to the siege or to a possible influx of MAS supporters on September ¶24. Some opposition contacts have warned us, however, that the entry of a large number of armed MAS supporters into the heart of the opposition territory could easily spark violence. Townsend said that the opposition views the MAS supporters as "spoiling for a fight" and predicts that "an accident could spark major violence." Although the opposition is attempting to continue with negotiation, Townsend feels that "any violence in Santa Cruz would end it."

¶6. (C) Comment: We are closely monitoring the situation in Santa Cruz. While we have relocated our staff to La Paz, we may need to issue a warden message asking Amcits to exercise extreme caution on September 24. September 24 is a Santa Cruz holiday so our consular agency, now open for emergency American citizen services, would be closed.

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Venezuelan Observers Unhelpful
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¶7. (C) In the wake of UNASUR announcements supporting the government (and offending the opposition, who feel that UNASUR's pro-government stance negates the organization's value as a neutral observer), Townsend told us that there are divisions within the UNASUR observer team. The Venezuelans are insisting that UNASUR's role is to support the government, while others (Townsend mentioned the Chileans) are frustrated by this twisting of their role as observers. Other international contacts have told us that UNASUR, under the influence of Venezuela, is trying to encourage other observers to meet only with the government side.

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Opposition Fragmented
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¶8. (C) The regional opposition group CONALDE (opposition prefects and civic leaders) has always faced challenges due

to their inherent division by department: for example, the four autonomy statutes are different, while CONALDE member Chuquisaca has not yet voted for autonomy. The division between the national and regional opposition was highlighted by the decision of national opposition party PODEMOS to allow the August 10 recall referenda law through the Senate despite terms that were prejudicial to opposition prefects (and in fact, CONALDE eventually lost support when opposition Cochabamba Prefect Manfred Reyes Villa and independent La Paz Prefect Jose Luis Paredes were recalled.)

¶9. (C) Smaller opposition groups, including "indigenous alternative" groups headed by former Vice President Victor Hugo Cardenas and indigenous intellectuals, are attempting to come together to form larger, more-coherent opposition parties. Even with these attempts at cohesiveness, however, the non-PODEMOS opposition is highly fragmented, with multiple groups loosely-united along ideological and regional lines. The traditional national opposition has thus far not successfully united with indigenous opposition groups, leaving President Morales and the MAS basically challenged only by the regional opposition.

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Comment
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¶10. (C) Over the last few days, opposition leaders have seemed more demoralized, watching as one of the most savvy and skilled opposition prefects was arrested, government-supporters besieged a key opposition city, and "neutral" international observers announced their unequivocal support for the government in the negotiations. Opposition contacts tell us they see no clear way to block President Evo Morales' constitutional agenda and they fear that, with a chance at two more terms, Morales will lock Bolivia into a populist totalitarian regime more extreme than even Venezuela's Hugo Chavez has managed. With the opposition doubting its chances through dialogue and with thousands of armed government-supporters threatening to enter the main opposition city, violence still looms as a real possibility.
End comment.

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